



August 28, 2020

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VIA EMAIL

Governor's Office of Planning & Research

Sep 01 2020

Mr. Matthew Downing, Planning Manager
City of Pismo Beach, Public Works Department
760 Mattie Road
Pismo Beach, CA 93449
mdowning@pismo-beach.org

STATE CLEARINGHOUSE

Dear Mr. Downing:

PROJECT TITLE: CENTRAL COAST BLUE PROJECT
SCH : 2019120560

Public Resources Code (PRC) section 3208.1 establishes well re-abandonment responsibility when a previously plugged and abandoned well will be impacted by planned property development or construction activities. Local permitting agencies, property owners, and/or developers should be aware of, and fully understand, that significant and potentially dangerous issues may be associated with development near oil, gas, and geothermal wells.

The California Geologic Energy Management Division (CalGEM) has received and reviewed the above referenced project. To assist local permitting agencies, property owners, and developers in making wise land use decisions regarding potential development near oil, gas, or geothermal wells, CalGEM provides the following well evaluation.

The project is located in San Luis Obispo County, outside of oil and gas field boundaries.

Our records indicate there is one known plugged and abandoned oil or gas well located approximately ¼ mile from proposed injection wells IW-5A and IW-5B, as shown below (Figure 1). The injection wells are proposed for injection at a depth of approximately 200 to 600 feet below ground surface. The details of the oil or gas well located near the injection wells is discussed below.



Figure 1. Proposed injection wells (IW-5A & IW-5B) and plugged and abandoned oil well ("Oceano" 1). To view information and locations for oil and gas wells visit <https://www.conservation.ca.gov/calgem/Pages/WellFinder.aspx>

Well	Status
<p>"Oceano" 1 Madonna Construction Co. API: 079-00329</p>	<p>The record review process shows that this well is not abandoned consistent with current PRC and California Code of Regulations, title 14, (CCR) as of August 24, 2020.</p> <p>Based on the well records:</p> <ol style="list-style-type: none"> 1. Casing shoe plug is not to current standards (CCR section 1723.3). 2. Surface plug is not to current standards (CCR section 1723.5). <p>The base of freshwater is at approximately 1,000 feet measured depth according to the electric log run on 3/14/1957. A cement plug was placed from 1,100 feet to 777 feet according to records. The cement plug meets current standards for freshwater protection.</p>

CalGEM recommends that the plugged and abandoned oil well be considered in any modeling of injection pressure and fluid flow. CalGEM recommends that injection wells be completed in a stratigraphically equivalent or higher zone positioned above the base of freshwater plug, if there is potential for the injection wells to influence the well. Careful consideration of the proposed injection interval placement may reduce the potential risk for downward or upward flow between the injection interval and the portion of the plugged and abandoned well below the base of freshwater plug.

CalGEM categorically advises against building over, or in any way impeding access to, oil, gas, or geothermal wells. Impeding access to a well could result in the need to remove any structure or obstacle that prevents or impedes access including, but not limited to, buildings, housing, fencing, landscaping, trees, pools, patios, sidewalks, roadways, and decking. Maintaining sufficient access is considered the ability for a well servicing unit and associated necessary equipment to reach a well from a public street or access way, solely over the parcel on which the well is located. A well servicing unit, and any necessary equipment, should be able to pass unimpeded along and over the route, and should be able to access the well without disturbing the integrity of surrounding infrastructure.

There are no guarantees a well abandoned in compliance with current CalGEM requirements as prescribed by law will not start leaking in the future. It always remains a possibility that any well may start to leak oil, gas, and/or water after abandonment, no matter how thoroughly the well was plugged and abandoned. CalGEM acknowledges wells plugged and abandoned to the most current CalGEM requirements as prescribed by law have a lower probability of leaking in the future, however there is no guarantees that such abandonments will not leak.

CalGEM advises that all wells identified on the development parcel prior to, or during, development activities be tested for liquid and gas leakage. Surveyed locations should be provided to CalGEM in Latitude and Longitude, NAD 83 decimal format. CalGEM expects any wells found leaking to be reported to it immediately and failure to plug and re-abandon the well may result in enforcement action, including an order to perform re-abandonment well work, pursuant to PRC section 3208.1, and 3224.

PRC section 3208.1 gives CalGEM the authority to order or permit the re-abandonment of any well where it has reason to question the integrity of the previous abandonment, or if the well is not accessible or visible. Responsibility for re-abandonment costs may be affected by the choices made by the local permitting agency, property owner, and/or developer in considering the general advice set forth in this letter. The PRC continues to define the person or entity responsible for re-abandonment as:

1. The property owner - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of abandonment, and in its current condition does not pose an immediate danger to life, health, and property, but requires additional work solely because the owner of the property on which the well is located proposes construction on the property that would prevent or impede access to the well for purposes of remedying a currently perceived future problem, then the owner of the property on which the well is located shall obtain all rights necessary to re-abandon the well and be responsible for the re-abandonment.
2. The person or entity causing construction over or near the well - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of plugging and abandonment, and the property owner, developer, or local agency permitting the construction failed either to obtain an opinion from

the supervisor or district deputy as to whether the previously abandoned well is required to be re-abandoned, or to follow the advice of the supervisor or district deputy not to undertake the construction, then the person or entity causing the construction over or near the well shall obtain all rights necessary to re-abandon the well and be responsible for the re-abandonment.

3. The party or parties responsible for disturbing the integrity of the abandonment - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of plugging and abandonment, and after that time someone other than the operator or an affiliate of the operator disturbed the integrity of the abandonment in the course of developing the property, then the party or parties responsible for disturbing the integrity of the abandonment shall be responsible for the re-abandonment.

No well work may be performed on any oil, gas, or geothermal well without written approval from CalGEM. Well work requiring approval includes, but is not limited to, mitigating leaking gas or other fluids from abandoned wells, modifications to well casings, and/or any other re-abandonment work. CalGEM also regulates the top of a plugged and abandoned well's minimum and maximum depth below final grade. CCR section 1723.5 states well casings shall be cut off at least 5 feet but no more than 10 feet below grade. If any well needs to be lowered or raised (i.e. casing cut down or casing riser added) to meet this regulation, a permit from CalGEM is required before work can start.

CalGEM makes the following additional recommendations to the local permitting agency, property owner, and developer:

1. To ensure that present and future property owners are aware of (a) the existence of all wells located on the property, and (b) potentially significant issues associated with any improvements near oil or gas wells, CalGEM recommends that information regarding the above identified well(s), and any other pertinent information obtained after the issuance of this letter, be communicated to the appropriate county recorder for inclusion in the title information of the subject real property.
2. CalGEM recommends that any soil containing hydrocarbons be disposed of in accordance with local, state, and federal laws. Please notify the appropriate authorities if soil containing significant amounts of hydrocarbons is discovered during development.

As indicated in PRC section 3106, CalGEM has statutory authority over the drilling, operation, maintenance, and abandonment of oil, gas, and geothermal wells, and attendant facilities, to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil, gas, and geothermal deposits; and damage to underground and surface waters suitable for irrigation or domestic purposes. In addition to CalGEM's authority to order work on wells pursuant to PRC section's 3208.1 and 3224, it has authority to issue civil and criminal penalties under PRC

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section's 3236, 3236.5, and 3359 for violations within CalGEM's jurisdictional authority. CalGEM does not regulate grading, excavations, or other land use issues.

If during development activities, any wells are encountered that were not part of this review, the property owner is expected to immediately notify CalGEM's construction site well review engineer in the Coastal district office, and file for CalGEM review an amended site plan with well casing diagrams. The District office will send a follow-up well evaluation letter to the property owner and local permitting agency.

Should you have any questions, please contact Mr. Jordan Martin at (805) 465-9638 or via email at Jordan.Martin@conservation.ca.gov

Sincerely,



Patricia A. Abel
Coastal District Deputy

JM:ks

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Chrono File
CEQA File
CSWR File
Well File